





## THE CLIMAX.

FRENCH TIPTON, - - Editor.

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### WOODFORD FOR CLAY.

The Versailles Sun remarks: "The sentiment of Woodford in the gubernatorial race seems to be divided between Clay and Brown—with Clay in the lead. The farmers generally are for Clay."

### BLOOD WILL TELL.

The Louisville Times says it is a noticeable coincidence that the Illinois hold-over Senator, Palmer, Senator-elect, and Governor-elect, are all native Kentuckians. This State furnished the first Territorial and eight or ten succeeding Governors of the prairie State, and has provided occupants of her Senatorial seats for probably a greater aggregate period than that allotted to those native and to the manner born.

### NEITHER COMMON NOR UNCLEAN.

Sam Gaines has begun the publication of a new paper at Mayville, named the Commonwealth. But Sam is neither common nor unclean and so want his paper notwithstanding the first two-thirds of the name. Mr. Gaines successfully, even brilliantly edited the Hopkinsville New Era. But quit journalism to become Deputy Clerk of the Circuit Court, and he has not resumed the quill to the joy of all the old pencil pushers who have been at the helm long enough to recall his exceedingly bright and agreeable career.

### SOLID GAINES.

There's much foresight in the appended paragraph from the Commonwealth, Sam Gaines' new paper at Mayville—paste it in your hat:

"George Dittie, of the Newport State Journal, complains that Mrs. Cleveland is taking lessons on the violin. Never mind, let her fiddle! Hands all round! Millions of freemen are eager to keep to the music of her brain!"

Caruth, Dickerson and Ellis should consider the above brief remark concerning Mrs. Cleveland's brain. It is the most musical brain in the entire Union, and such a dance as the boys will have about the first Monday in November of next year!

### A GREAT DEMOCRATIC SPEECH.

Hon. John Young Brown, of Henderson, spoke to a good audience in the Court-house Saturday afternoon. Mr. Brown said that he was a Democrat from the beginning and purposed continuing so unto the end. That the principles of the Democratic party are next in importance to those of the Christian religion. That he was a candidate for Governor on the Democratic platform, expected to be elected or defeated on that platform, and was not pandering to the whims of any class or set of men. That all that was good, reasonable and constitutional in the platform of the Farmer's Alliance was borrowed from the platform of the Democratic party, and had been embraced in it ever since the days of Thomas Jefferson. That the sub-treasury was a snare and a delusion. That he was opposed to class legislation and Government patronage.

Mr. Brown dwelt at great length upon the tariff and by many illustrations demonstrated the iniquity of tariff taxation. He favored a tariff for revenue only. He favored reasonable pensions for all Federal soldiers who were disabled by reason of their service in the army, but bitterly opposed the wholesale pension robbery that had depleted the National Treasury.

Mr. Brown said that for 38 years Southern Kentucky had not had a Governor, and he thought now a good time to reward the political leeches of wood and drawers of water.

Mr. Brown has represented his district in Congress, is a strong speaker and a good man. He is like Mr. Cleveland—has ideas and is not afraid to express them.

### WHAT ARE YOU GOING TO DO ABOUT IT?

We said last week that the majority in the Fifty-third Congress subverted every right of the minority when that was thought necessary to carry their point and also that their work looked more to the perpetration of the Republican party in power than to any good of the people at large, but when the people condemned them at the polls last November and relegated them to private life after the fourth of this month they set themselves about during the few remaining months of the session to re-erect the Fifty-second Congress in its work, when it shall enter upon its duties. In some of their addresses they were full of after that they did their work (well?) and the N. Y. Tribune, the mouthpiece of the Republican party chuckles over it in the following style. Read it, with the Sun's comments thereon:

The New York Tribune applies, in effect, the often quoted words of Twest to the Democratic majority of the next House of Representatives. It rejoices that the extravagance of the Republicans during the session of Congress that has just closed has placed the incoming Democrats in a dilemma. It says: "The next Congress will be closely watched to see whether it is more economical. If it cuts down expenditures for the useful work of the government, it will be justly censured. If it cuts off pensions for Union veterans, it will be condemned. But if it appropriates as large an amount as the recent Congress, it will be compelled to increase taxation in order to prevent national bankruptcy. The recent Congress began its work with a large surplus to be distributed, and that exists no longer. There is not offered to the Democrats next winter as pleasant an alternative as some of them now imagine."

From the above statement two things are apparent. First, that according to the Tribune's own admission the Republicans have brought the country to the very verge of national bankruptcy, and next, that they have attempted to do the Democratic hand and foot by the condition in which the country has been left. Coming into Congress with a surplus in the treasury of one hundred millions of dollars the Republicans have not only squandered in reckless appropriations that immense sum, but also so much over and above the anticipated revenue as to make it certain that the Democrats will have to encounter a large deficiency when they enter upon their Congressional duties next December.

bet. "See where we have placed you," says the Tribune editorially. "If you follow with your appropriations our example you will be compelled to increase taxation in order to prevent national bankruptcy. If you cut down government expenditures you will be censured. If you cut off pensions you will be condemned. This is the dilemma we have created for you, and now what are you going to do about it? Such, it substance, is the way in which the Tribune vindicates the acts of its party. It is not its statesmanship it commends but its political astuteness. It knew, even the fall elections, that the Democrats had swept the country, and in revenge it leaves them the responsibility of dealing with an empty treasury, an enormous fixed expenditure and a pension bill honey-combed with frauds. We do not think such a rule or rule policy as the Republicans adopted to spite the Democrats will commend itself to any but the beneficiaries of it. The burden of it rests on the shoulders of the great body of the people, and the census for increased taxation if it should be required, will not fall on the Democrats but on those who made it a necessity."

### THE STATE PRESS AND TARIFF REFORM.

The editor of the Lancaster Journal is a careful observer of political life, and in our estimation correctly states the relation of Kentucky newspapers to the principal issue now between the two great political parties. Some impatience has been manifested by Democrats of the State that the Courier-Journal had not given enough its great and trusted editor, Mr. Watterson, some expression concerning the free coinage of silver as a possible and disturbing question for the Democracy to meet. With singular unanimity the Democratic country press jumped at the conclusion that Mr. Watterson practically reached only last Monday, in an exceedingly well-written and conservative article in the Courier-Journal. It can be said, therefore, that the "rural roosters" were waiting for a crow from a big cock of the walk before they took up the refrain. Their united voice has been for making the light on tariff reform, and leaving the silver question for future settlement, when we have had an "election campaign" to develop just what the country needs. Mr. Watterson follows on the same line, and admirably expresses the idea already advanced by nine-tenths of the Democratic press of the State. We are glad he is with us. This is his conclusion, expressed in his own inimitable style:

"The people of the West and South are sorely distressed and perplexed. Twenty-five years of class distinction in the Government have done their perfect work. Excessive and unjust taxation is the chief cause of their distress. We have expended ten years' fighting together on the paramount issue. At last we are together. We stand upon high, upon solid ground. Victory, if not within our grasp, is yet within our sight. It is possible that any one Democrat anywhere can believe it good, or wise, to abandon this position. It is possible, reached after so much travail and outlay, and to advance through a bog of uncertainty upon the rifle-pits and masked batteries of an enemy, who laughs in his sleeve as he waits to welcome us with bloody hands to hospitable graves?"

### BLUE GRASS VERSUS MINERAL WEALTH.

Hon. James A. McKentzie, of Kentucky, now Commissioner of the World's Fair at Chicago, in a speech at the banquet in Charleston, W. Va., last week, where the great development of the South was represented by 400 of the greatest promoters of Southern prosperity, said:

"I came here from Kentucky with these other gentlemen on a peaceful mission. We brought no militia with us, Governor. I came here knowing that West Virginia was proud of her coal and her timber and all the other things that give her such a wealth of natural resources. I was willing to concede to West Virginia all those things, but in God's name, Governor, can't you let us have our blue grass? [Laughter.] I want you to arrange some kind of a reciprocity treaty with Kentucky so as to let us have the preponderance in blue grass, but if you're not willing to do that, then take the earth."

"From what I have heard here tonight I believe that West Virginia has coal enough to last a million years, and then if by any chance hell should run short, you would have enough left to keep that place going a little time. West Virginia is destined to become the England of America in wealth, as it is the Switzerland of America in scenery. If the resources of West Virginia were to be as thoroughly developed as those in Carnarvonshire, Wales, you would be as rich as all England with London thrown in. Now let's get that right. I've been in Chicago associating with millionaires. I haven't the slightest respect for a man worth less than \$500,000. I'm tired of being poor. I've had about as much experience in that line as any other man of my age, and I'm completely tired of it. Since I've been in Chicago I've been converted, and I'm going to give up being poor and lead a better life."

"Now I came way down here 800 miles from Chicago to give you people a piece of advice, and I'm not going to charge you a cent for it. I think you ought to give \$500,000 or \$500,000 towards the exhibition at the World's Fair, and if you've got all you say you have, you'd never miss it. I am not here to dispute what you have said. I'm not going to dispute your Governor, even though he does try to rob us of our blue grass, or to dispute anyone else. I believe all that we have heard is true, and I can only say that with this wealth you'll never miss it. You'll get it all back again in such a multiplied form as to make every man in West Virginia a Monte Christo. Just put \$500,000 in the jack pot and if you don't hit, I'll let you win. I'll tell you how to make money. Don't put it in stock gambling, don't put it in the jack pot, but invest \$100,000 in the World's Fair and you'll get back eighteen millions."

"In closing, I implore this State, which has been part and parcel of old Virginia in all her history, looking back upon an ancestry of which princes might be proud, to make an appropriation for the World's Fair, of which West Virginia might be proud."—*Trade Journal*.

The issue of standard silver dollars from the mints during the week ending February 28 was \$386,255. The issue during the corresponding period of last year \$305,569. The shipment of fractional silver coin during February amounted to \$420,730. The debt statement issued recently shows that the increase of the public debt, less cash in the Treasury, during the month of February amounted to \$2,994,750.58. Total cash in the Treasury, \$305,520,043.40.

### REDUCTION OF TARIFF THE GREAT ISSUE.

In his review of the present attitude of the two great parties, Hon. Roger Q. Mills unhesitatingly concludes that the reduction of tariff taxation will be the overshadowing issue next year.

The Republic has no doubt of the correctness of this conclusion, although it is hardly less certain that the National Democratic platform will define the party's attitude on free coinage. Wherever the party has had an opportunity in the past to fight for free coinage and the money of the Constitution, it has done so. It made such a fight when it was forced to compromise on the Bland act, now superseded by the Administration Bullion Purchase plan of demonetizing silver. The Democratic party was as united for the principle of free coinage then as it was in the fight in the Reed Congress, but then, as now, it never lost sight of the pre-eminence importance of the reform and reduction of civil war taxes.

Since then these war taxes have been ruthlessly increased until the average of tariff taxation on manufactured goods is much higher now than it was at any period of the war. The latest and most insistent increase was given by the Bland act, and the tariff on silver and the answer of the party they control to the demand for reform, pressed to issue against them. If after this the Democratic party waived the issue by substituting another of less importance as the leading issue in a national campaign, it would amount to a practical acceptance of the McKinley bill and the endorsement of prohibiting imports declared by it. With such an acquiescence from the Democratic party in the worst measure of taxation of modern times, it would be impossible afterwards to force the issue during the century to the position of prominence it now occupies.

This is true since Mr. Cleveland's free coinage letter, as it was true before, Democrats would have been as quick to recognize it without Mr. Cleveland's letter as with it. In the first session of the Reed Congress they fought their best for the reform of the tariff, and the party work in exposing the McKinley bill resulted in the overwhelming victory of November—with which the New York "Reform Club," a very useful institution in its way, had about as much to do as a straw has to do with a whirlwind.

In the second session of the Reed Congress the Democrats in Congress fought for free coinage, because they did not have the tariff reform issue before them. Whenever the party's hands are free, whenever there is no greater issue, no power of leadership or anything else will prevent the party from striking honest blows for an uncontrolled currency of gold and silver, freely coined.

It was solely because the tariff bill was passed in the first session of the Reed Congress that the Democrats made free coinage the leading issue of the second. No Democrat, Mr. Bland least of all, ever thought of retiring the tariff reform issue or of giving it second place.

With the adjournment of the Reed Congress the issue of tariff reform recurs and takes precedence of all others, not because of anything Mr. Cleveland has written, but because of the irresistible logic of Democratic reasoning and impulse. The effect of Mr. Cleveland's letter has been to hold free coinage closer up to tariff reform as a rival issue than could have been held otherwise—this because all who believe in the justice and expediency of free coinage have been put to their defence and compelled to justify themselves.

But such considerations are temporary, and pass out of mind at the conclusion of the session, while the issue of tariff reform has permanency coincident with that of the great evils against which it is directed. These have been greatly exaggerated since the campaign of 1888 by a Congress which not only greatly increased taxes, but by way of pretext for it increased the appropriation of two years for over a thousand million dollars (\$1000,000,000). Having fought a hard and an honest skirmish for free coinage, having nothing to report of or to take back in what it did for free coinage, the Democratic party at the end of the skirmish calls in the skirmishers, forms line of battle and gives the word of the day, the shibboleth of party loyalty and personal determination in the party—"tariff reform and tax reduction" until taxes are levied for revenue only.—*St. Louis Republic*.

### CLEVELAND AND 1892.

Grover Cleveland, while not considered by many the wisest Statesman, has certainly made as few mistakes as any man has ever done who occupied such a large space in the public mind, and whose acts and words have been watched and weighed so carefully by the people of every grade. The same statesman who in every undertaking has characterized him from the time of his initiation into the office of Mayor of Buffalo through all his official career till he closed his term as President and even out into the privacy of the past two years. When he wrote his first letter of acceptance of the nomination for the Presidency in 1892, "his utterances will defeat him," and afterward they said "the carrying out of his civil service reform idea will ruin his party," and finally when he sent his last party letter to Congress, who, like a brave man, that he is, with the courage of his conviction, threw down the challenge when he flung his message to the Congress, he said one simple motto—"Tariff Reform"—inscribed thereupon and entered the contest thus equipped they said, "he will be defeated," and so he was. Yet he was a victor in the midst of defeat. Harrison was elected President, but Cleveland had a popular majority of the general vote of more than sixty thousand and of the white vote of near one million. Two years passed and the trend of public opinion expressed at the polls in November last was such an overwhelming indication of the wisdom of the truths uttered in his inaugural message to Congress that Cleveland came to the front of the popular mind as never before, and to-day he is evidently the strongest man, not only in his party, but in the Nation. He is preeminently a leader in that he has blazed the way for his party, and the magnificent victory in November was due to his lead more than any other thing. Many were in haste to say that it was wise in him to write his recent "silver letter" as it is called, and some wisemen have even said that it put him out of the field of Presidential possibilities in 1892, but the sober, second thought and expression of the general voice such as to revise their states and some very cautious men to express an opinion. Below we give the opinions of two wise men who evidently have their hands on the popular pulse and are persuaded of the truth of what they say:

Mr. Kilgore, of Texas, it will be remembered, was elected Governor of that State when, when denied access from the House, by order of Speaker Reed, when that functionary was engaged in

counting a Republican majority for some party measure, kicked through the door of the House and defied the authority of the Speaker to deny freedom of movement to a member of the House. In the same sturdy spirit Mr. Kilgore writes to the Galveston News: "I think Mr. Cleveland and the strongest man in the country for the year 1892, and that the Republican party fear him more than any other man named. The party has plenty of material from which to select its candidates, but Mr. Cleveland has been found to be true, able, pure and brave, in perfect harmony with the Democracy upon the great and fundamental issues upon which the party has fought a thousand fights and won a thousand victories." And further says an express reference to Mr. Cleveland's silver letter, "If Mr. Cleveland had been only a wily, scheming, shrewd politician, and not a great, courageous and noble statesman, he would have been less palatable than he did. He uses no language of indirection, no obscure words and phrases in giving his views to the public."

If possible, even more significant, and from the reputation and position of the writer, more important, is the endorsement of Mr. Henry Watterson, as expressed in a triple-leaded editorial in the Louisville Courier-Journal of March 9, under the heading of "A Few Words of Warning." Mr. Watterson writes to remind the Democratic party that after the great victory in November, and after the rejecting measures of the McKinley bill and the endorsement of the McKinley bill, the one discouraging thought, was that the victory might prove too great to last, and that before 1892 the party, by some act of folly, might forfeit all that it had won. Mr. Watterson finds that "two points of disturbance" appear in the McKinley bill, and that "one of those points of disturbance" is "one of those related to the re-nomination of Mr. Cleveland, the other to the adoption of some as yet undefined but referred to as the silver question." In reference to both, Mr. Watterson naturally counsels caution and deliberation, and above all, submission to the views and wishes of the people. He exhorts the party to trust both the accuracy of the Congressional diagnosis of popular feeling and the distrustfulness of Congressional opinion and advice. He says: "The people are wiser than the politicians. In one sense, at least, they are disinterested; they nourish no sentiments growing out of individual disappointment or expectations, and have no private axes to grind. They are beyond the reach of merely personal influences, and, therefore, better able to take a wholesome and sensible view of a case after it has been fairly presented to them. Hence it is that those of our friends who have been for three months of uncommon heavy work and strain, boxed up in the Capitol at Washington will find not a little instruction as well as relief in contact with their constituents. We are much mistaken if the free air of God's country does not prove an effectual antidote to the fabled atmosphere of Congressional deliberation."

These trenchant words the Kentucky editor lays his finger upon the very source and origin of Congressional jealousy and dislike of Mr. Cleveland, and also upon the sure and inevitable remedy for the disease. It is by turning to the people and leaving it to the people that the politicians who affect to know more and judge better than the people will have their ignorance enlightened, their folly corrected and their presumption rebuked. It has been said that the politicians will control the nomination of the Democratic party for the Presidency in 1892 and that they will select a man after their own heart—that is, of their own kind. It is, at least, an even chance that the people will have a "voice" in that selection, and a dead certainty that the people will elect the President.

### THE REIGN OF THE RADICALS.

The profound sense of relief felt at the expiration of the Reed Congress is not confined by party lines. With the exception of the radical members of the House, many people of all parties rejoice that the infamous notoriety of the Reed Congress is now a matter of history rather than the menace it has been since the tool of the capitalist of the Northeast, rendered desperate in its cowardice by the assaults of the Democratic party on its wrongful privileges.

No Congress in American history has equalled it in the malignity of its purposes and the insolence of its methods. The thorough lack of scruple of its majority was shown at the very outset in the ousting of Democrats from the House by a "working majority" while Democratic members were being unseated so that such measures as the tariff bill and the Force bill might be passed without being open to attack in the courts on the ground that they had not been passed with the "quorum" required by the Constitution.

When this Congress assembled the Treasury was overflowing. It is now empty, the net cash in the Treasury being only \$16,000,000 by the March statement, while ex-Congressman Cannon declared in the closing days of the session that the appropriations made would result in a deficit of \$30,000,000 in six weeks. The expense of pensions has been doubled. It will amount to \$150,000,000 for 1891-92, and to at least \$175,000,000 for 1892-93. The McKinley bill made in the tariff tax rate an increase which will probably average over 10 per cent in the duties levied during the present fiscal year. The Federal Government is already taking over \$500,000,000 a year from the people, or a full third of the cash in circulation among them. No measure of relief was even considered in the Reed Congress. The Bullion Purchase bill was a scheme of robbery, and as such it is now universally understood. It has no defenders even among those who forced its passage. It gave speculators the largest facilities for larceny from the Treasury, and the evidence accumulated leaves no room for doubt that of those who voted for the bill in House and Senate there is not a single one who is not a speculator or whose private speculations in bullion.

The McKinley bill, the Force bill and the Subsidy bill were the three measures for which the precedents of constitutional law were broken. The McKinley bill was a dictatorship established in the House. While Reed might have succeeded as a traitor over a people entirely servile, the feeling he excited when what was attempted is compared with what was achieved is largely mixed with contempt. The Radicals succeeded only on a single one of their leading measures—the McKinley bill. On the Force bill, "with a dozen tariff bills in it," they were beaten by the unflinching determination of the Democrats and the independence of Western Republicans. The Subsidy scheme, so gigantic in its inception, is hardly more respectable in its execution than the actually achieved, is in Senator Edmunds' Vermont maple sap job. From the standpoint of the man behind it, it is

### Faded Paper

a failure in spite of the precedent of larceny established by it. Detestable as what it attempted, the Reed Congress would be beneath contempt for what it accomplished had it not succeeded in passing the McKinley bill, raising the taxes, while at the same time the Treasury was being thoroughly emptied. While the enormity of this is overshadowed by the greater enormity of what Radicalism wished to do, it is enough to raise the reign of Radicalism from the level of the contemptible to that of the detestable.

In his speech, Mr. Reed attacked an undue importance to his own individuality. He is considered by the country only as an agent manipulated and controlled by those who put him in the chair. Had he not been there some other equally servile to his masters, but perhaps with more brains and greater capacity for larceny would have been in his place. The odium which attaches to him belongs more properly to his masters, the Mill Barons and Money Lenders of the plutocratic controlling minority of the Republican party. The President has been fully as servile to these as has been the ex-Speaker. The most notorious measure of the Reed Congress came from the White House. The Vanderbilt newspaper has not been more urgent for the Force bill than the President has been. He endorsed and signed the McKinley bill. The Bullion Purchase scheme was an administration measure, and the whole business of the administration was used to secure its passage. Every scheme for emptying the Treasury has had the President's sympathy and active co-operation. No one more fully deserves than he the ill-fame of the Reed Congress. No one did more than he to elect from the people the crushing blow to the McKinley bill in the election of 1890. There is not in the country a better representative of the insolence, the narrowness and the malice of plutocratic Radicalism than he. The Reed Congress was a Radical Congress because he is a Radical President—because his work as President was to attempt to force the Republican party to a basis of Socialism more Radical because less candid than that of Wendell Phillips. As a result the Congress made the worst record of any Congress in American history. And in the successes and the failures of the criminal undertakings of his work as President, the Reed Congress stands out as the most infamous administration.—*St. Louis Republic*.

### PAUMER WINS.

The dead-lock in the Illinois Legislature, after a painful existence of two months, was broken, last week, by the election of Gen. Paumer, the Democrat. His 101 faithful Democrats stood nobly by him, and finally two of the Alliance men came to his assistance, giving him the necessary 103 votes to elect him. Paumer is a Kentuckian and likewise was his opponent, and that doubtless had something to do with the tenacity of both sides, as to Kentucky belongs the distinction of the longest dead-lock on record. The Frankfort correspondent of the Louisville Times, who gives the public an account of the memorable Kentucky times, says: "I have taken a search among the House and Senate journals of the early thirties and come upon the record of the most famous Senatorial fight this State or any other, so far as I am informed, ever had in point of time consumed in effecting a change of administration."

It was found in the House and Senate journals for the Legislative session of 1830-31. These journals, with dust between their leaves a half century old, are queer looking books. They resemble more than anything else the old Webster's blue-back speller, which the modern journal more resembles a Webster's Unabridged, and the present convention's record will look like an Encyclopedia Britannica. Is the growth of the Commonwealth's business responsible for this, or is man's increased propensity to talk?

But back to the record-breaking Senatorial fight of 1830-31. The Legislature, which in these days met annually, met that year on December 6, and adjourned January 15, 1831. The term of John Rowan as United States Senator from Kentucky was to expire the next March, and it was the imperative duty of the Legislature to elect a successor to his term. All knew when they assembled that a big fight was ahead. The prospective candidates were John J. Crittenden, Speaker of the House; Richard M. Johnson, John Rowan and Charles A. Wickliffe. It was so evident that there was to be a close and bitter contest, that the contest narrowed down to a tie between Mr. Crittenden and Mr. Johnson, with the former always voting for some friend who was not in the contest. Every method known to the politicians of that day was used to break the dead-lock, or to undo the strange circumstance that made it impossible for the Legislature to elect a successor to the term of the Senator.

The first total ballot by comparison resulted: Crittenden, 68; Johnson, 48; Rowan, 20; Wickliffe, 1. Mr. Crittenden was within one vote of an election on this first ballot, as he was a hundred times after, but he himself, as Speaker, cast his vote for the hindmost man. The balloting went on day after day, the contest narrowing closer to a tie between Mr. Crittenden and Mr. Johnson, with the former always voting for some friend who was not in the contest. Every method known to the politicians of that day was used to break the dead-lock, or to undo the strange circumstance that made it impossible for the Legislature to elect a successor to the term of the Senator.

The dead-lock was never broken. The Legislature, with 127 members present day after day, adjourned finally without having elected a Senator. The Governor, who was Thomas Metcalfe, did not go through the useless task of reassembling them, and there was no break, through or otherwise, in the ranks of either side. The Legislature adjourned on January 15, and Mr. Rowan's term expired March 3 following, leaving the office of United States Senator from Kentucky vacant from the latter date until near time for next winter's Congress. The Legislature adjourned on January 15, and Mr. Rowan's term expired March 3 following, leaving the office of United States Senator from Kentucky vacant from the latter date until near time for next winter's Congress.

The Governor's message, sent in as soon as the early convened Assembly was ready for business, indicated that he expected the two Houses to at once do their duty and elect a Senator. The two Houses immediately passed a resolution, which was approved and signed by him at once, fixing November 10 as a day for such election.

In the meantime, Mr. Crittenden had shown what a big man he really was. It was believed by himself and all his friends that he was almost sure of an election, but Richard M. Johnson was again in the field, and rather than risk having a repetition of the last frustrating session of his life, he went to Henry Clay, then the gallant statesman, full of all the promise that his subsequent career justified, and asked him to become the nominee in his stead. Mr. Clay, after consultation with his friends, agreed to do so. This solution of the difficulty brought about by a large and well-directed expenditure of money. How can this be accomplished when a half a dozen roads exist where two would be all that was needed? No community can benefit in the long run by the waste thus created. With a view to reach the present evil, it has been wisely suggested that State railroad commissions be appointed with power to grant the applications of railway companies for charters, or to reject them when deemed undesirable and prejudicial to private and public interests. Thus far, the laborers of the railroad commission appointed under the Interstate Commerce Act appear to have led to but one conclusion—that of its own inability to cope with the railway problem of this country; and the managers of the great system appear to be bent upon effecting huge consolidations as the only way out of the dilemma. With all this, honest management, honest returns and honest accounting are greatly to be desired. In order to reach this end, would it not be well that stockholders should insist upon an annual independent audit of each company's books to be conducted by disinterested accountants chosen by them?

The anxiety felt over the attempt by Congress to pass the Force Bill had the effect of diverting the attention of investors from all classes of Southern securities. Within a fortnight or so, the return of confidence has shown itself by an increased demand for Southern bonds.

Another subject of congratulation, too, is the outgrowth of the commission which has been developed against the adoption of the free coinage of silver. The public appears at last to have awakened to the serious financial results (such as a rapid contraction of the currency) which would have followed the passage of such a bill. As an indication of the popular expectation on this point, the price of silver has declined to 97.

To those who take interest in such matters, the census returns, which are gradually coming in, are worthy of notice. The growth of population in many of the Southern and Western States is remarkable, but it is to be noted, however, that the figures given fall in some instances, far below the earlier estimates of their municipal officers. During the past few years, larger issues of bonds have been based upon such estimates, and they have brought high prices—higher, perhaps, than the population as given by the census would warrant. Will this fact have its effect upon the prices that will be offered for new municipal issues?

News comes from London of a less easy money market, but of a gradual recovery from the strained situation which existed towards the end of 1890. The Bank of England rate remains at 5 per cent, but liquidation is proceeding steadily, and it is apparent, from the course of our foreign exchange market, that American securities are being returned to this country.

### REVIEW OF THE FINANCIAL SITUATION, AND A DISCOURSE ON RAILROADS.

BALTIMORE, March 12th, 1891.

Money is again as plentiful as it was before the panic, and, contrary to the expectations of many, rates have declined from six to four per cent. Time loans are offered at the lower figure, whereas, two months ago, they were almost unobtainable. Now, lenders are seeking borrowers. Not for a long time past have the New York banks been holding so large an average surplus beyond the required reserve fund. This accumulation has been caused by the general and combined effects, which every monetary disturbance engenders, on the part of individuals and corporations to strengthen themselves financially by hoarding their resources. This action has consequently led to a curtailment of business operations all over the country, as shown by the clearing House returns for the month of January, and even more perceptibly for February. Large semi-annual disbursements for dividends had been made with relieving the situation, and sums of money which, during the financial flurry, had doubtless been hoarded, gradually came back into circulation as confidence returned. It takes more than a month or two, however, to recover from the feeling of alarm which necessarily exists for a while after such a relief of the situation. This fact has been most apparent, for investors, who have had sums of money lying idle have been slow to buy securities. Some have probably been waiting for the appearance of new issues in contemplation prior to the panic, many of which, fortunately for them, we hope, will never see the light of day. For a while, at least, the host of bond-buyers will be guided by the dictates of prudence, and will frown upon enterprises of a speculative character. The investor must always bear in mind that it is in times of easy money, when the greatest security is afforded by a wide variety of investments, that the greatest danger of loss is incurred. It is in such times that schemes are the more readily floated.

In our market, prices have to a great extent recovered from the lowest point reached, and the investment demand has been mostly limited to City Stock and "safe" railroad bonds. There has been some buying, as well, of the more speculative kinds which have proved tempting in view of their low prices and future promise. Early in January, attempts were made with some success to galvanize the stock market into life, but the result was not long-lived, and before the month of March was half over there came a reaction followed by dullness, which has since then become more and more intensified. Numerous opinions are ventured for this state of affairs, such as the unsettled condition of the markets in Europe, still the lingering effects of the late panic, but more especially the uncertainty connected with the attitude of Congress towards questions affecting very important business interests. The nation heaved an unusual sigh of relief when this august body adjourned.

It is quite evident that the public is not in a hurry to do but to consolidate. The abundance of money is, however, favorable to speculation, so that, before long, some improvement in prices may reasonably be expected. The preference for railway mortgages over stocks is more noticeable every day, so distrustful have we become of the management and actual condition of many States to restrict the powers and to regulate the direction of railroad corporations. Such organizations perpetrate many abuses, it is true, but the way to cure an evil is not to apply another to it, and the public, crying down the railroads, forgets that they are, nowadays, the forerunners of civilization, and that without them development is at a standstill. This antagonism arises from the popular fallacy that high rates of freight result from an excessive burden of debt and a large stock of bonds. Consequently, the "busted bondholder" must be made to suffer. This is clearly an error, for rates are regulated by competition and by the volume of traffic. The moment, however, that competition becomes excessive, it is apt to bring about the very evil which it is intended to cure, viz: consolidation, or monopoly, ending in higher rates. Under a reckless system of State legislation, it is appalling to observe how easy it is to obtain charters to build roads in portions of the country already well supplied with railway facilities, for the purpose of forcing the established companies to buy them out. The wrecking process is being carried on every day, and roads giving satisfactory service are being paralleled, not with a view to competition, as the public is made to believe, but often with a view to plunder. When tracks have thus become multiplied, what is there to do but to consolidate? Then it is that the people suffer from an increase in rates brought about by their own legislative action, and then,

also, do the bondholders and stockholders feel the effects of the increased indebtedness necessarily incurred in the acquisition of useless properties. The public has yet to understand that people who risk their means in such enterprises of benefit and development to the places in which they are located have a right to have their interests protected against wanton competition. The general welfare is best served in this respect when there exists just enough competition between the rival companies to insure an equilibrium in rates that will allow the investor a moderate return upon his investment and leave the railroads sufficient to maintain their properties in first-class condition. It is a fact that the best and cheapest service can only be attained through the competition brought about by a large and well-directed expenditure of money. How can this be accomplished when a half a dozen roads exist where two would be all that was needed? No community can benefit in the long run by the waste thus created. With a view to reach the present evil, it has been wisely suggested that State railroad commissions be appointed with power to grant the applications of railway companies for charters, or to reject them when deemed undesirable and prejudicial to private and public interests. Thus far, the laborers of the railroad commission appointed under the Interstate Commerce Act appear to have led to but one conclusion—that of its own inability to cope with the railway problem of this country; and the managers of the great system appear to be bent upon effecting huge consolidations as the only way out of the dilemma. With all this, honest management, honest returns and honest accounting are greatly to be desired. In order to reach this end, would it not be well that stockholders should insist upon an annual independent audit of each company's books to be conducted by disinterested accountants chosen by them?

The anxiety felt over the attempt by Congress to pass the Force Bill had the effect of diverting the attention of investors from all classes of Southern securities. Within a fortnight or so, the return of confidence has shown itself by an increased demand for Southern bonds.

Another subject of congratulation, too, is the outgrowth of the commission which has been developed against the adoption of the free coinage of silver. The public appears at last to have awakened to the serious financial results (such as a rapid contraction of the currency) which would have followed the passage of such a bill. As an indication of the popular expectation on this point, the price of silver has declined to 97.

To those who take interest in such matters, the census returns, which are gradually coming in, are worthy of notice. The growth of population in many of the Southern and Western States is remarkable, but it is to be noted, however, that the figures given fall in some instances, far below the earlier estimates of their municipal officers. During the past few years, larger issues of bonds have been based upon such estimates, and they have brought high prices—higher, perhaps, than the population as given by the census would warrant. Will this fact have its effect upon the prices that will be offered for new municipal issues?

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